

**Rural Economic Development Summit
March 14 – University of Northern Colorado
Notes from the Break-Out Sessions**

Session 1

Rural Communities and Government Contracts: PTAC Can Help

Summary: Group leaders Tom Elam (Director), and Tom Thompson (Procurement Counselor) spent nearly the entire session explaining in detail how to utilize PTAC. Colorado PTAC is a statewide nonprofit 501(c)(3) organization that serves as a resource for anyone who wants to sell goods or services to the government any level (federal, state, or local). There is no fee to use PTAC.

Details

- PTAC will contact you within 48 hours of receiving your request and will arrange to meet with you face-to-face.
- Upon request: PTAC will help you register on the government's database; it will help you format a proposal and review your bid; PTAC will not advise on pricing.
- The Colorado PTAC will help you sell to a government agency even if that government agency is not located in the state of Colorado.

Small Business Success Stories

- Why is your business successful?
- What barriers did you face?
- What barriers do you foresee in the future?

Bud Stanley

Started business 55 years ago

- Currently doing business overseas
- Staff = two veterinarians and one salesman
- Measures livestock temperature using a chip and reading devices on barns or gates
 - Animal temperature can be correlated to animal diseases
 - Results in early preventative treatment
- Temperature device built in Sweden, assembled in California, tested / calibrated in boulder, sales and distribution in Greeley
- Success:
 - Prove to banks you don't need money in order to get a loan
 - Conserve money – 5 partners but only 2 paychecks
 - Used a tax break to attract investors that contribute over 25K
- Barriers:
 - Customs, money, regulations
- Questions:
 - How did you expand abroad?

- Met a student from Kuwait who had connections in the Arab Emirates that launched foreign sales, also the internet was helpful in marketing around the world
- Being in the right place at the right time and having a positive attitude
- How do you make money?
 - Two business models:
 - Sell information to veterinarians who can sell to clients and then monitor the temps and diseases
 - Sell readers directly to ranchers and then hire vets to monitor from a central location
 - Business is sustainable because cattle are replaced every three years so the ranchers are buying new devices for their new cattle

Mark Keeper

- Owns a bakery in Greeley “Helping Greeley smell better one loaf at a time”
- Wife and daughter started business as a hobby and Mark helped them make it a full time job
- They sell country wide to fundraising companies
- Success:
 - R & D is very important
 - People want new and innovative products
 - Helps stay ahead of the competition
 - Developed a box that serves as packaging and baking dish
 - Owning a small business is not a sprint, it’s a marathon
 - Workforce availability
 - Easy to recruit seasonal work because they are located next to a college
 - SBDC helped us with our business plan and finding funding with Upstate Colorado
- Barriers:
 - Difficult to sell anything to retailers because of the enormous amount of capital needed up front
 - Shelf space has to be rented and marketed in order to sell at large stores
 - Business is seasonal so keeping the overhead low during the down season is tough
 - Large infrastructure for peak-season but it’s challenging to fill during off-season
 - Commodity prices affect the profit margin because they cannot be passed on to buyer
 - Sales sheets for fundraisers come out once a year so sales prices are fixed while commodities fluctuate
 - Fuel prices are causing distribution costs to skyrocket
- Questions:
 - What are your biggest costs?
 - Ingredients are 60% of our costs
 - Sugar and fuel are the most expensive costs
 - Most of our ingredients are produced locally

Tersa Boydel

- Whiskey River Bar – sell safety, fun, and good times
- No TVs or pool table – all about dancing and human interaction

- Success:
 - Only tavern / restaurant that received an SBA loan
 - Tenacity is the best way to succeed
 - Tried to get a loan for one and half years before finding a lender
 - SBDC helped create a business plan that banks were willing to lend
 - Noticed a need in the community
 - Only two people making decisions so everything is quick and easy
 - Marketing a value when times are tough – not a luxury
 - Target marketing using Facebook
 - Able to pick specific demographics to send marketing over Facebook for very reasonable price and impact is tracked
 - Hiring good staff that have values and character
- Barrier
 - Getting a loan with only 50% loan to asset ratio
 - Alcohol sales are strong but margins are low
 - People are only buying house drinks instead of premium drinks
 - This is the second location for Whiskey River
 - Coming from a small community to a large city made marketing tough
 - Too many channels for marketing distribution

Warren Mueller

- Weld County Garage has been in business for over 100 years
- Over 140 employees, most long term – been with the garage for more than 4 years
- Success:
 - Important to have reliable employees
 - Stay involved in the community
 - Staying up-to-date with innovation
 - Visited a factory in China with battery powered cars that can travel over 250 mile and re-charge the batter in 20 min
- Barriers:
 - Overcome GMs bankruptcy
 - Economic downturn is causing people to buy less expensive cars
- Questions:
 - How do you find good employees?
 - Make sure the employees appreciate their job
 - Lots of spending on training and customer service focus
 - What market do you focus on?
 - Upper range clientele where customer service makes the difference
 - How will the rising fuel costs affect your business?
 - It will hurt in the short run but in the past fuel costs have come back down and thus business returns
 - Are you involved with corn fuel initiatives?
 - This is more of state government initiative

David Roberts

- Owns Spokes Bike Shop for five years

- Success:
 - Filled a need in the community by opening the shop
 - Previously there was not bike shop in Windsor
 - Found a niche market in BMX bikes that no shop in the surrounding area was catering to
 - Adaptability is important
 - When the shop opened he was focused on mountain bikes but changed to cruisers and BMX when he realized the customers desires
 - Research ahead of time when writing business plan made finding a loan easy
 - Word of mouth and Facebook marketing have worked best
 - Start the business small and gradually work up – do not take on huge amounts of debt all at once
 - Large supply of applicants so hiring help was easy
 - Choose personality over anything because training can bring skills
- Barriers:
 - Transitioning from a professional worker (steady paycheck) to a entrepreneur
 - Personal financial problems when there is not a steady paycheck
 - Too many channels for marketing distribution with no tracking
 - 5 phone books, multiple radio stations for different areas, no local TV station
 - Increasing turn around – stocking the store correctly for demand
- Questions:
 - How does it work when you get involved with a large supplier?
 - Very large shock because the business has to front money for the first shipment of inventory
 - Requires lots of planning because inventory is not normally turned around before the financing is due

Brian Finney

- Eye care center in Windsor
- High end products and services because that niche was not being filled in the area and there were lots of residents with high incomes
- Success:
 - Financing not a problem because ample research was done when putting the business plan together
 - Looked at needs, demographics, household income, economics in the area
 - Hire employees that have good qualities not necessarily the skills needed
 - Skills can be taught but qualities come from background
- Barriers:
 - Construction took almost 2 years – It was difficult to get the bank to release funds during construction
 - No income while construction was in progress so personal finances were a struggle
 - Health care spending tends to be cut during recessions
 - New health care bills are creating uncertainty
 - Technology increases are hard to keep up with
 - Requires constant investment in expensive equipment
 - Online retailers hurt sales division – more dependence on services

- Insurance companies and health care plans do not pay enough to make it worth accepting them as payment
- Questions:
 - How often do you re-write your business plan?
 - We are a new company so we have not done this yet, expect 4-5 years
 - Continually measure the business against the plan and modify as needed

Tony Lee

- Hospitality Business in Burlington – Comfort Inn
- Owns existing hotel in the same area and two plots of land in Denver
- Purchased property for the new Hotel three years ago
- Opportunity to create 20 new jobs in the community
- Success:
 - SBDC helped him find a loan backed by the SBA that was accepted by a lender.
 - He showed projections gathered from his other hotel and backed guest numbers with the demand created by the wind construction expected to take place in the area
- Barriers:
 - Impossible to find funding from banks for three years
 - Had enough collateral but recession in 2007 decrease property value and caused banks to refuse loans
 - Has ample experience, good credit, and great business plan but it doesn't matter
 - More than 15 banks have rejected his proposal causing his motivation to struggle
 - Hospitality industry is cut out of lending
- Questions:
 - How did the government help?
 - There was no government assistance except for the SBDC
 - Only recently was the SBA backed loan able to help secure financing
 - Is finding quality employees a challenge?
 - Focus on high quality leadership and it will trickle down to create quality results

Hurdles and Achievements in Energy

- Pam Shaddock with the Office of Senator Mark Udall
 - Colorado is a national model
 - Has university synergy
 - 33% employment growth in the past 5 year (energy sector)
 - Situation in Congress (Challenges)
 - Stability and consistency is our goal but we must find a way to work bipartisan
 - Fiscal discipline
 - Innovation
- TJ Deora and Mona Newton, Governor's Energy Office
 - Wind Development
 - Achievements:
 - Supports agriculture, brings money to counties, college training, residential and small commercial projects

- Small hydro (FERC) and cutting red tape
 - CO2 offsets in Baca County (purchasing plans)
- Hurdles
 - Propane (effectiveness and cost in northeast Colorado)
 - Local and state government cooperation and coordination
- Achievements (Guest opinions)
 - Promote compressed natural gasses
 - National Renewable Energy Lab is here, attracted companies like Conoco
 - CU-NREL collaboration
 - Pending job expansion w/ energy sector growth
 - Wind energy tech school produces 1/3 of all technicians (highly needed)
 - Students can come from non tech programs for summer classes as well
 - Renewable mix legislation requirement helped create innovation
 - Clean air- clean jobs act
 - CU research projects applicable to older mine shafts in mountain communities
 - Attracting new companies that use Energy technology: UQM, Calpine
 - Natural gas in Weld used to compliment wind transmission during slow days
 - I-76 and I-25 might bring first electric car charging centers to Weld.
 - Ethanol (corn industry) which now requires less power to refine/produce
 - Continued work on above ground, non-finite resources to achieve energy independence
 - Distributive generation project in the co-op field
 - Energy conservation, energy storage
- Finding opportunities in these achievements
 - Biomass energy crops like the Paulownia Tree
 - Dairy producers partnering with ethanol industry, small power plants in rural communities
 - Conservation: households using efficient lighting and understanding that the current energy flat rate will eventually disappear (educating people to consider time of day energy use)
 - Bringing in new tech that will help optimize current energy consumption in addition to considering new projects
 - Algae use for carbon sequestering
- Challenges
 - Wind: balancing act for the region in terms of power output when wind fluctuates (keeping other sources on standby to fill in for wind), transmission issue
 - Guidelines to put wind projects into place are vague (USDA land)
 - 10 year contract max w/ USDA, need longer to attract companies in order to make a profit
 - More guidance to financial institutions on how to participate in underwriting new technology
 - Mezzanine packages are very hard to find in current financial atmosphere (more cooperation needed)

- Wind storage issues, distributive generation system (talk to rural distribution centers)
 - Future will be small distribution centers
 - FERC barriers and contracts
 - Incentive rural projects
 - Solar is it efficient and economically viable?
 - Co-op systems: energy load gaps in those projects
 - Competitively priced energy between rural and urban users
 - New tech: workforce development and the cost/demand to put it into place
- Final speaking points
 - Financing (USDA participation)
 - Increase Stewardship Contracts
 - Regulations are clear
 - Public Education
 - Have a National Energy Policy

Sustainable Main Streets

Breakout Session: Sustainable Main Streets
 Moderators: DoLA Executive Director, Reeves Brown
 DoLA Deputy Director, Charles Unseld

Summary: The discussion touched on DoLA's Sustainable Main Street Program, which focuses on facilitating community visioning, as well as the National Main Streets Program, which focuses on historic preservation along physical Main Streets. Through its pilot programs, DoLA officials said they have established a precedence for increased coordination and cooperation between state agencies, as well as an increased willingness from each department to be receptive to the needs of local communities.

Audience: About thirty people included municipal officials and representatives of the private sector, agricultural community, as well as several regional and community organizations.

Main Themes and Questions:

Definition of "Sustainability": Is it just referring to preserving a the survival of a rural community given the census numbers that show consistently declining and aging populations in regions like the Eastern plains? Or does it go deeper to thinking about increasing the local consumption of locally produced goods and the environmental and economic issues that go along with that? If so, how can the State help with marketing of local products to increase demand for a more localized and regional economy? Is one definition of sustainability more valid than the other, and what is the strategy that unifies both definitions?

Definition of Main Street/Downtown: What is the role of economic development in the development of a Main Street? What is the role of design, the arts, and social experiences that can create a sense of identity for the Main Street? How do you create a Main Street that is both a community asset and meeting place, as well as the center of business?

Question of what killed the Main Street originally: Was it increased regulation from the State? What role do box stores and their lobbyists play in it? How effects did decisions about transportation infrastructure have on rural communities?

Opportunity to align regions between and within all State Departments: Is it feasible to align CDOT, DoLA and OEDIT “regions” so that planning dollars can be used more effectively? How do you overcome the hurdles to consolidate, including geography, watersheds, county lines, and Federal overlays?

Anecdotes:

The idea was proposed to set up food processing plants on Main Streets—where they used to be. For example, the townspeople of Walsh got together and started their own general store after the grocery store left town (<http://www.people.com/people/archive/article/0,,20271120,00.html>).

Summary of DoLA:

The meeting began with an overview of the Department of Local Affairs (DoLA), with an emphasis on the fact that DoLA’s “primary customers” are local government, and the department operates with the unofficial motto: if local government has a problem, DoLA can fix it or can help fix it by drawing on resources from other departments.

Deputy Director Unseld gave a thorough overview of the services DoLA provides, primarily through its eight Field Reps, including: financial and technical assistance, emergency management services, property tax administration and programs addressing affordable housing and homelessness.

[Comment by Noah Aptekar: In the spirit of presenting a receptive and humble ear to constituents and attendees, the bold opening statement about DoLA’s capacity to fix any problem that local governments and communities might have may have been overbearing, and led to a less productive and interactive session]

DoLA Grants:

Due to budget balancing efforts, DoLA’s grant programs are largely unfunded right. This presents a significant shift from the state of the Department in past years when there were a lot of funds available for grants. Before the economic downturn, DoLA’s grant programs took up the majority of DoLA’s focus, resources and staff time. With no money for grants right now, DoLA will be returning its focus to technical assistance and other programs, including Sustainable Main Streets.

Sustainable Main Streets:

The goal of DoLA’s Sustainable Main Streets program is to have communities ask themselves the question “What is it that we want our community to look like?” After that community visioning process is completed, DoLA lends resources to help realize the vision, particularly by engaging the appropriate departments (CDOT, DNR, etc) and initiate cross-departmental cooperation and collaboration. Fowler, Monte Vista, Rifle and Five Points volunteered to be the pilot communities.

Monte Vista Case Study:

Vision – A thriving and pedestrian friendly downtown.

Barriers – Highway 160 is the Main Street through town, with busy traffic and big trucks. CDOT's goal is to get the trucks and traffic across the state quickly and efficiently

Resolution – Expand sidewalks and add traffic calming features like trees and planters. DoLA initiated the conversation with CDOT and was able to “bend the rules” to get the reconfiguration of 160 started.

Fowler Case Study:

Vision – Revitalize downtown and keep businesses alive. Also, make it possible to access the whole town on foot.

Barriers – Highway 50 is the Main Street and splits the town in two. There are a lot of elderly residents who cannot cross the highway fast enough to reach the other half of the town.

Resolution – DoLA engaged CDOT and was able to get funding for a traffic signal in the middle of town that stops the traffic on Highway 50, allowing pedestrians to cross.

Future of the Pilot:

The pilot served to show all state departments the value of working more closely together and increased the willingness of state agencies to work with local communities in the spirit of a new, more sustainable approach to community development.

National Main Street Program:

The National Main Street Program is focused on the historic preservation of physical Main Streets in small towns. Federal funding has been drastically reduced for the program and DoLA is stepping up to keep it going, in partnership with Downtown Colorado Incorporated—affiliated with the Colorado Municipal League. The Main Street Four-Point Approach:

1. Organization – Establishing consensus and cooperation by building effective partnerships among all downtown stakeholders
2. Promotion – Creating and marketing a positive image based on the unique attributes of the downtown
3. Design – Enhancing the unique visual quality of downtown by addressing all design elements to create an appealing environment
4. Economic Restructuring – Strengthening downtown's existing economic assets and fulfilling its broadest market potential

DoLA is in the process of hiring a new Main Street Specialist as well as a contract Historic Architect to help further this program.

Questions:

Does DoLA have expertise in planning?

Yes, Deputy Director Charlie Unseld is a Planner by training. He also mentioned that Andy Hill, who staffs the Office of Sustainable Growth—also referred to as the Cubicle of Sustainable Growth—also has a background in City and Regional Planning.

Bennett, Colorado does not have a defined downtown area. They have gone through the planning and visioning process, but does DoLA have any examples of communities that have successfully executed plans to create a downtown/Main Street area from scratch?

Executive Director Reeves Brown responded with a follow up question “What is a downtown?” The gentleman who asked the question about Bennett responded that it includes a walking area with reduced or slowed traffic with design features that establish an identity.

Deputy Directory Unseld responded with a description of the County Revitalization Projects (CRPs), which offer lots of examples and experiences to learn from, including Granby, Colorado which has disperse commercial buildings all along the highway. He also discussed the marketing matching grant program where DoLA puts up \$2,500, to be matched by the community, and used to hire a volunteer marketing consultant who only bills for expenses and delivers a marketing estimated in the market value range of \$15,000-\$20,000.

What can be to repair the loss of locally produced and consumed goods?

One audience member quoted that 0.1% of the food consumed in Colorado is produced in Colorado. A food assessment study found that \$3.5 billion dollars in agricultural commodities that are produced in Colorado could be consumed in Colorado, but instead the amount consumed is only \$4 million. Can we revive the local economies and local production and distribution infrastructure that used to exist? Denver, especially has an appetite for locally produced goods. How can we get back to growing things that people want to eat? The idea was proposed to set up food processing plants on Main Streets—where they used to be. Examples from far southeastern and far southwestern Colorado were mentioned. Apparently the townspeople of Walsh got together and started their own general store after the grocery store left town (<http://www.people.com/people/archive/article/0,,20271120,00.html>).

How deep can we go with “sustainable growth”?

An audience member said we should start with feeding ourselves first, and then address supply chain issues, impact modeling, etc. There was an anecdote about a long haul trucker living on the Eastern Plains who got a contract to haul corn to Texas, and tried to set up a backhaul to not have to come back with an empty truck. Supposedly the backhaul was also corn. This anecdote was used to illustrate that there are unsustainable business practices that could be addressed with better communication and marketing between regions to raise awareness about the commodities that are available locally.

Does Denver know what Weld County produces or that it is one of the top five counties in the country in terms of agricultural production?

There is an opportunity for a marketing and awareness campaign that could drive the market forces to lead to more local consumption of locally produced goods. Where does DoLA’s responsibility lie in accomplishing that goal?

What is the definition of “sustainable” being used by DoLA?

In looking at the most recent census data, communities on the Eastern Plains are steadily declining in population. Lots of towns do not want to grow—they just want to stop the decline and maintain a steady population. DoLA representatives answered that regardless of a community’s definition of “sustainable”, DoLA will come and help communities fulfill that vision. Some audience members felt that the Department needed to take a stronger position on sustainability as a holistic term that addresses the continued existence of a community, as well as the greater issues of bolstering local and regional economies that existed when these rural towns were established.

What is the State's responsibility to preserve these communities and should they exist at all?

It was mentioned that the towns were established for some economic reason—maybe the railroad, which stopped every ten miles when it needed to fill up on water again—and they seem to be leaving for some economic reason. Who should say that the towns should continue to exist versus slowly disappear.

What role do big box stores play in the decline of rural communities?

It needs to be recognized that big box stores are eating away at local businesses. A story was told by a former general store owner about how CDOT built a big highway to connect to a Walmart, and bypassed the store, leading to the failure of the business. The story illustrated instances where departments like CDOT are lobbied by big companies to build projects that benefit their big business and hurt the local small businesses that can't compete for the State's attention.

A representative of CDOT then felt compelled to share the importance of participating in their Transportation Planning Regions (TPRs), which illustrates CDOT's bottom-up planning process where the funding decisions are made on a community level. Because of all the regions, CDOT is only able to have meetings in each region once every four years.

What killed the Main Street in the first place?

Asked by a self-proclaimed "cowboy from Weld"—who claimed to be a cousin of former Colorado Governor George Carlson, and a member of a family that has lived continuously in Colorado since before it was a state.

What is the appropriate role of regulation by the state?

One audience member recounted a story of having previously packed and sold their own meat until an increase in regulations made it too difficult to continue the business. From a conflicting point of view, another person said they thought the State should enforce more stringent accounting practices of business practices that have an environmental impact on sustainability (vehicle miles, etc). The proposal was that if business owners did not comply with the strict accounting practices they would be taxed heavily. Executive Director Reeves Brown responded by saying that the economics are driven by market pressures and business owners will continue to seek out the cheapest or most cost-effective option. The audience member continued to hammer the point that there exists a warped accounting system that does not take true costs into the equation.

How can communities foster a sense of identity through social experience?

Executive Director Reeves Brown gave the example of a number of business owners in Fruita, Colorado—including a bike shop owner—who came together to set up an informal music venue in an abandoned space on Main Street. They bring in bands and let people bring their own food and drinks, but it has created new energy through the social experience of these shows, which can eventually lead to new businesses being attracted to move in and open up.

How can we build a demand for locally produced goods?

A former fireman from Windsor, Colorado shared a story about how all of the executives at the Kodak plant drove foreign cars until people started to notice some level of hypocrisy—working for an American manufacturing company that competes heavily with foreign companies like Fujifilm—and soon after the

executives all started driving American-made cars. His observation was that through the pressures of peers and society as a whole, the desire to consume locally produced goods can be strengthened.

How can a new Downtown Development Association get expertise and funding?

Deputy Director Unseld discussed the opportunities to become a member of Downtown Colorado Incorporated, which gives access to peer-to-peer counseling and consulting on how to use financial instruments like Tax Increment Financing (TIFs).

Can the State find additional efficiencies and synergies by matching and aligning CDOT regions to DoLA regions, to the new OEDIT bottom-up plan regions?

It was acknowledged by both the Executive Director and Deputy Director that in creating a consistent regional breakdown, planning resources could be used more effectively and coordinate with other agencies' resources. One example of a state that has very consistent regional overlays is Tennessee. In Colorado, DRCOG is an example of a clearly defined region that functions more efficiently as a result. The challenges are the diverse geography and watersheds, as well as the Federal overlays of the State. Additionally, it was agreed upon that the boundaries between counties also defy logic.

Healthcare in the Rural Community

Moderated by Dr. Chris Urbina

- 1) Health is an economic driver for rural communities
 - a. Support: Recruitment and retention of health providers: loan support, knowledge of services, reduce administrative burdens
- 2) Access to healthcare is a big issue especially geriatric care
 - a. Support: Programs like telemedicine linking to large healthcare centers
- 3) Affordable health care/insurance is important
 - a. Support: Reduction of regulations, develop solutions at the local level (we know how to do it)
- 4) Health is as important as health care
 - a. Support: Build healthy communities, behavioral change strategies

Agricultural Water: How we Share with Municipal and Industrial Needs

Notes on Audience: most (70-80%) were from the S. Platte Basin. Good mix of people from farmers/ranchers to developers, city officials, concerned citizens, and water providers.

10:30 – 10:46: Introductions and SWSI mission statement discussion

10:46: J. Stulp asked for items that were “tipping point” issues and what was on the minds of those in attendance.

10:49: First real point was on the Transaction costs of Water Transfers being too high

10:51: Next point was concerned with capturing all the available water for future use through storage – commenter was concerned about water flowing over the state line to Nebraska

10:53: Next comment was about taking control back from the water courts and giving it back to the State Engineer. There was a nodding head consensus that the courts don't understand water issues

- 10:54: The next issue arose on the Aquifer levels; flooded basements tell people that the Aquifer is full and there are wasted Acre Feet (AF).
- 10:55: A comment was introduced on moving over the hurdle of the internal conflict between the State Engineer and the Water Courts
- 10:56: Issue was also raised with the consumptive use through housing projects planting non-native grasses and the need to focus on xeriscaping.
J. Stulp then posed the question of whether we should restrict the use of water to “inside use” only on Agri → Municipal water transfers
- 10:57: The response ID’d that we need good management and there was a general consensus that we were not being responsible in our water use.
- 10:58: A city water manager then responded that unfortunately, the use of water on large fields of grass was a necessary buffer for city water utilities to utilize in the case of a drought
- 11:01: More concern of 610,000 AF of water being sent to Nebraska and not being held. Would also like to tap flooded aquifers and make use of the 10.5 million AF submerged. With pumps in place, it costs nothing other than to turn them on and withdraw water.
- 11:04: When Weld Co. went dry there is a loss of tax revenue harming schools and public services as there is no revenue without water
- 11:05: Alkalies are making surface lands toxic; without pumping from underneath, toxins sit on top and kill crops
- 11:07: The next concern was with low level water rights and no yearly guarantee that those rights would be filled.
- 11:08: Someone from Poudre River Basin – wants cities to be required to have smart growth and water use planning to avoid loss of farmland.
- 11:10: A city official noted that due to Home Rule, little can be done from the state to stop this; pressure must come from people on their municipalities
J. Stulp noted that most efficiency standards are now becoming the only practice any fixtures and appliances sold are water efficient
- 11:13: There was more pressure to increase water storage for mitigation
- 11:14: There was emphasis on using existing storage by dredging reservoirs
- 11:15: CO should look for creating incentives to avoid creating restrictive regulations
- 11:16: J. Stulp wanted to know thoughts on Superditch and Water CoOps for cities to utilize farmers’ storage
- 11:16: Another note on reduced Ag. Production limiting economic outputs of localities; less farming = less feed, tractor, fertilizer, etc. sales
- 11:18: Town of Frederick is working on NISP to build 2 reservoirs, wants this on the Governor’s agenda
J. Stulp says this will be under investigation and working towards progress
- 11:20: Comment on reducing demand from Ag. → Municipal water transfers to stop buying out of farms.
Conservation is proceeding through reduced days where sprinkling is allowed
- 11:22: Concern that population growth is allowed before finding water provisions
- 11:24: Firestone – 15 communities are working together to handle 600,000 AF that has flowed out of the state.
- 11:25: Another comment on tapping 10.5 million AF in the Aquifer
- 11:27: Comment on reducing population growth and spread if water costs go up 200%
A: It is possible to price people out, but that doesn’t build the economy

11:30 CRITICAL POINTS:

30,000 Acres are dry b/c of water issues; Storage needs to happen to make progress; Storage is critical to keeping Ag. Going and building the economy; Utilize existing storage and Aquifer; Keep Water instate, don't allow it into Nebraska; Ag. has lost clout, no power to fight high powered Water Attorneys

Agritourism: The State's "Growing" Industry

Moderator: Al White, Colorado Tourism Office, OEDIT

Participants: Patty Snyder, Jerry H., June Waters, Kasey Smith, Wayne Davis, Grant Pound Rayetta, Palmer Rhonda, Thompson Mary, Laura Conway, Mary Shaffer Smith, Danny Riddle, Sara Mcquintty, Tim Burley, Andrew Morgan, Donna Rabbit, Claudia, Ford Frik, Mary Olive, Jim Miller, Dept of Agriculture

Al White:

Introduction

Colorado needs diversity in tourism, extend options

Q: What is Agritourism?

Wayne Davis:

Not an amusement park on the farm, where people drive to destination and leave the same day

Should be a stay in the community

Culinary experience

Tommy Martinez:

There is a growing interest in working farms, organic farms

Old school Colorado Experience

Al White:

Interest in butchering classes

Tommy Martinez:

Farm to fresh movement has created in interest in learning where our food comes from

Mary Shaffer Smith:

Need to focus on tourism to all economic levels and in state tourism

Focus on educational experience

Dept of Agriculture:

DOA offers seminars on agritourism

Tools to help build a business plan and other information

Al White:

What are the Liability Issues have people experience when developing an agritourism business?

Jerry H.:

My son and I planned on having a corn maze on our farm but insurance cost created a barrier that we could not work around.

Chuck Hughes:

Insurance costs are the #1 issue when creating or expanding an agritourism business

Grant Pound:

There is a need for public policy to change liability statues for land owners

Wayne Davis:

Commercial Regulations prohibit agritourism and farm tourism

Al White:

How can all opportunities and partnerships be created and integrated

Lauren Conway:

Build partnerships with schools to create educational experience

Wayne Davis:

Creation of multiday itineraries

Tommy Martinez:

The Colorado Tourism Office is creating a 3 year marketing plan. Including a 6 month PR campaign incorporating CO agritourism

Colorado.com will create 3 day overnight stay itineraries available to potential visitors

Al White:

Colorado Tourism Office is exploring an online Colorado Only store similar to Michigan's.

Will Sell Colorado products but also drive tourism interest and direct customers to resources where they can make travel plans in Colorado

Wayne Davis:

There needs to be a focus on in state and local tourism

Need to look local first

Tommy Martinez:

Part of the Colorado Tourism Office 3 year plan focuses on local tourism

Al White: What are other Issues people have experienced?

Ford Frik:

Noticing problems defining and organizing agritourism

Beginning to create databases and a network of providers

Colorado Tourism needs to broaden marketing efforts

There are opportunities to really grow Colorado, regional summer tourists

There is a need to inform consumers of what is available

Lauren Conway:

How do providers set prices?

General Response- what the market will bear.

Patty Snyder:

Challenges on how property is assessed

Al White:

Few problems should arise

Jerry H.:

Taxes don't change when adding the agritourism component to existing operation the amount of paper work does increase. There is a lack of communication between government agencies to focus on problems

Al White:

There may be a need for a single entry point to address agency problems

Mary Shaffer Smith:

Regulations a barrier to entry, to many rules

Jerry H:

How can businesses get exposure?

Tommy Martinez:

Colorado.com offers free listings and is building an agritourism website

Al white:

Closed session and thanked participants

Session 2

Small Business Success Stories Part II

Small Business success Stories: Lessons to Learn Part II

Moderator: Kelly Manning, Small Business Development Center, OEDIT

Panel: David Roberts, Spokes Bicycle Shop,

Tony Lee, Comfort Inn Burlington

Brent Phinney, Windsor Eye & Vision Center

David Roberts:

Owner of Spokes Bicycle Shop, a retail and service provider, in business for over 5 years

David was a bicycle enthusiast who realized a need for a bicycle shop in Windsor and decided to open up his own shop. He developed a small business plan by speaking other bicycle shop owners in and out of the state. He took his plan to lenders and received a small business loan with little obstacles.

Questions from audience:

Q: What avenues do you use for marketing?

A: Hard to find where to focus

Leaving phone book listing. We are not seeing any returns on that investment

Best marketing tool is word of mouth, based on this we have developed a referral program

Developing a Facebook presence,

E-marking. Blasting out emails showing strong returns

Q: Do you belong to any business associations

A: Sponsor Windsor Tri Club, 1 bmx rider. Will be joining a mountain bike association to make people more aware of our business

Q: What is the biggest issue facing your business?

A: Losses to business because I am not able to carry all products in demand, difficulty predicting demands and purchasing appropriate products

Brent Phinney:

Owner of Windsor Eye Care & Vision Center

Windsor Eye Care & Vision Center has been in business for a little over 1 year. Windsor Eye Care & Vision center is a boutique provider, selling higher end frames and lenses. Brent saw a need for high end glasses in Windsor. Brent Developed a business plan with The CO Business Development Office and the business school at UNC. He experienced no problems obtaining financing but did have issues with construction delays and cash flow during the construction process.

Other concerns include:

In the current financial climate one of the first expenses cut is health care

New government policies create a lot questions in the industry

Keeping up with Technology

Questions from audience:

Q: Did you look at demographics before creating business plan.

A: Yes, Researching demographics was an important part of the research stage.

Q: Is your business stronger on the retail or service side

A: Retail, because of the high end products we offer

Q: How much time between doors open to profitability

A: We have yet to become profitable. In our business plan we projected a worst case scenario of 3 years and a best case of 1 year.

Q: How often do you update your business plan?

A: Plan is still new and will not make any changes for at least a year

Tony Lee, Comfort Inn, Burlington, CO

(I had an extremely difficult time understanding Mr. Lee and we were running late therefore his section is very brief.)

Tony has owned Inns previously and has expanded his business in Burlington, CO. He had a very difficult time getting lending for his inn. Finding lending took over 2 years. He was not able to locate any resources to assist him during this process.

New Water Projects

- Discussion with John Stulp on what kind of agreements can be reached between rural and urban communities over water usage.
 - SWSI Report 2010
 - Project began in 2004 to make future projections about water trends dating out to 2050
 - Focuses on county basis, river basins and state wide use
 - Predicting a 1 million acre ft. demand growth
 - How do we meet the growing needs
 - Reservoirs, agricultural transfer, gravel pits, trans-basin reused water, all of which would only get us half way to our goal
 - There are still 390,000 acre ft. that even with new projects we have yet to identify a solution

- Priorities between M & I and Agriculture?
 - Other areas to research short falls on this issue
- Solutions should be sought concurrently
- Current relationship is very business between the government and farmers over water resources.
 - Local food movement, invest in Colorado Agriculture (helping people in urban areas to connect to the food grown here)
- Water ties together food, habitat, recreation and must be treated as a multi-facet issue
 - 70% expected success on current projects, need to fill that gap in with more ideas
- **What do you (Ag industry) want in return (from the gov.) for your water?**
 - An ag industry that remains viable even after sharing water (bring the people to the water rather than the opposite)
 - Problem of easements impacting locals and debates over keeping reserves
 - Water will have to be gathered from multiple sources, there is no one single solution
 - Cities buying water that is already there when we need to find new infrastructure
 - Competing with municipalities to buy land where water cost keeps it out of the peoples hands
 - Want a recognition from municipal users to use only what is necessary before water sources in the plains and mountains are shared
 - Where can we get money to bring in tech that helps water efficiency?
 - Where can we look for examples?
 - Tech isn't enough, restricted by laws in using them
 - What are we doing about current infrastructure
 - Repairing it may be important but costly
 - Water, what is the true cost?
 - Economic reality of what we have to work with
 - Value of education in water usage
 - Legal framework: if farmers maintained water ownership and can lease it for municipal use
 - Get full value of water back after the lease expires?
 - Currently looking at this with a super ditch or co-op program (problem of return flow)
 - We need pilot programs
 - Morgan super ditch example as a partnership with Xcel already 20 years old
 - Problem of giving farmers water back from the urban communities
 - Cities plan w/ the need for water reserves
 - Regional pool for rental?
 - Municipalities prefer to maintain ownership but lease the water back to agriculture
 - Cities are concerned with permanence, willing to share and lend if the have control of permanence
 - SWSI Recommendations
 - Water and Energy nexus: bringing in renewable energy to reduce water use in energy powering
 - Red tape issue?
 - Assessment of communicating state's needs
 - Mutually beneficial water sharing policy
- **Message to the Governor and Secretary Vilsack**

- Challenge of dealing with the EPA in creating new projects (the cost vs. actual results) Chatfield ex.
- Water conservation as a popular and easy first step
- SWSI needs ground water and other details included (administration cannot remain neutral on this)
- Colorado ag needs to be part of food problem solution (international food demands)
- Don't use water on oil shale extraction (voiced by one source only)
- Rather than cutting regulations, we need more cooperation by creating flexible working situations.

Stakeholders in Success: Training the Workforce to Meet Business Needs

Summary

Colorado needs to create a system to where kids understand that they can choose a life path other than a four-year college degree. This system should begin in middle school and be fully implemented in high school. Colorado needs to value skills in trades. Students should be trained in skills that are valued in their communities; this can be done through apprenticeships, 2-year A.S. degrees, vocational schools, or short 6-week certificate programs. Colorado needs to improve its ability to retrain mid-career workers for emerging industries through career-ready certificate programs and community colleges.

Details

- Not everyone needs to go to college. Kids need to understand from an early age how their subjects will apply to future jobs. Businesses can help by giving kids tours of businesses and offering apprenticeships and internships to middle school and high school students.
- Counselors and school teachers need to emphasize the value of skilled trades to students – vocational training, certificate programs, apprenticeships, and community colleges should be valued just as much as 4-year degrees (i.e. equal status). This can help reduce dropout rates in rural communities among students who do not wish to go to college.
- Schools and businesses need to coordinate an education structure that shows kids, “If I want to be (fill in the blank), I will need the following classes...” They must also coordinate to help kids develop both the “hard” and “soft” skills (communication, leadership, work ethic) that will make students successful leaders in their local communities.
- Colorado needs to improve and expand programs that retrain mid-career workers in new industries. These programs should be short and but thorough so that people are not out of work longer than necessary as it is detrimental to self-esteem.

Technical Assistance for Community Projects

Most of this meeting was fairly calm with specific interests being discussed and reiterated points to look into DOLA's webpage. Very little discourse or decisions were made. Most times we were struggling to find issues and get people to talk.

12:00-12:16: Introductions

12:20: Talk of Eco Devo assisting in developing infrastructure.

12:23: Discussed development of health clinics in rural areas

- 12:24: ET3 guy discussed moving to business to Colorado (www.et3.com)
Discussed implementation along I-70 corridor
- 12:30: Concern over loss of agriculture from local regions. Food is set up to be processed before arriving at the tables and they would like to see the removal of the processing and how to move directly from farms to tables.
- 12:35: Concern on the use of GMO Alfalfa and the loss of organic foods
- 12:40: Talked about Main Street Program and funding;
- 12:42: Discussed National Trust for Historic Preservation looking for plans to preserve and develop downtowns

Agricultural Marketing to International Countries

Moderator: Dept of Ag Senior International Marketing Specialist, Tim Larsen

Presenters: Mike Erker, Erker Grain
Jim Knutzon, Farm Fresh Direct
Andrew Maupin, Spruce Mountain Ranch
Darrell Hanavan, Colorado Wheat Administrative Committee
Luke Linn, JBS Swift / J&F Oklahoma Holdings

Summary: The discussion touched on the important role of agriculture to the Colorado economy as well as the importance of the export market to the agricultural economy. Businessmen from five different agricultural sectors made presentations on their experiences with international trade and the valuable resources that Tim Larsen and the Department of Agriculture provide to Colorado farmers, ranchers and producers hoping to access foreign markets.

Audience: About forty-five people included municipal officials and representatives of the private sector, agricultural community, as well as several regional and community organizations.

Main Themes and Questions:

Lessons from the current strength of Agricultural Economy: Agriculture has become a very risk-averse sector of the economy, and the average farmer or rancher had a debt-to-equity ratio of 11%. Agriculture businesses were not hit as hard during the economic downturn and currently prices of most commodities are very strong.

Importance of exports to agriculture: In the United States over the last 30 years, agriculture cash receipts agriculture have increased three-fold, while agriculture exports have increased fifteen-fold. The export market helps keep prices of commodities in the US down. For example, by exporting massive amounts of dark meat chicken, the price of white meat chicken is kept down allowing for cheap domestic consumption.

Importance of free trade agreements: Necessary to preserve existing market share in countries like Colombia and South Korea, and to develop new markets in countries like Japan and China. This was not a universally held opinion with a member of the audience making an active dissent.

How dollars are spent in agriculture: Agricultural promotion activities have a strong ROI (ie \$115 returned for every \$1 spent on promotion of wheat). However, farmers see a very small share of the agriculture dollar (ie on average the farmer only sees 7 cents for a one pound loaf of bread sold for \$1.39)

Trends in potato consumption: Overall and per capita consumption of potatoes in the United States is declining, making it imperative to open new markets. Mexico is a major potato consumer, preferring potatoes from the United States to their locally grown varieties, but the market is restricted. Opening all of Mexico to trade in potatoes could double the market for potatoes from the United States.

Cattle market: The worldwide cattle herd is declining, but the belief in the cattle industry is that as median incomes increase, people will want to add more meat to their diet. There is also significant demand for cattle production in new parts of the world, like Russia, which could provide a major export market for live animals as well as embryos and semen in the long term. The barriers include a lack a sufficient number of transport vessels approved by the USDA to carry live cattle or genetic materials, as well as, internationally, a lack of infrastructure and expertise in how to run a herd in those countries. For now, the value of bulls and heifers is high, limiting incentives to invest in the capacity building necessary for capitalizing on export opportunities. It will be important to develop a program for traceability of cattle from the United States as exports increase.

Drought and the need for a safety net: A common phenomenon in Colorado, drought has a major impact on cattle herds, and developing a foreign export market may provide a sort of safety net or safety valve to be able to move animals around the world to less drought-stricken areas when needed. Additionally, foreign markets have strong demand for cuts of meat and parts of the cow that are less popular in the United States.

Local Consumption: Can we also develop better infrastructure to ensure local consumption of locally produced commodities? The United States and Colorado can do a better job of advertising about what is produced in surplus in this country: corn, wheat, cattle, pigs, and chickens.

